PART 1 Annual Budget

1. On 29 March 2018 the council of Thembisile Hani Local Municipality met in Council Chambers of Thembisile Hani Local Municipality to consider the tabling of the Annual budget for 2018/2019 – 2020/2021 financial year.

1.1 The council of Thembisile Hani Local Municipality, acting in terms of section 16 and 24 of the Municipal Finance Management Act, (Act 56 of 2003), approved:-

1.2 Executive Summary

The municipality has undertaken various customer care initiative to ensure that the municipality is truly involves all the communities in all wards through Mayoral Imbizo in the process of ensuring that people are leading government.

The National Treasury's MFMA Circulars No 51,54,55,58,70,72,74, 75, 78, 85, 86. 89 and 91 were used to guide the compilation of the 2018/2019MTREF.

The main challenges experienced during the compilation of the 2018/2019 MTREF can be summarised as follows:-

- The high percentage of provision of bad debts which caused by the non-payment of services provided by the municipality for non-payment of services.
- Wage increase for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical posts
- Aging and poorly maintained water pipes and roads gravelling.

The following budget principles and guidelines directly informed the compilation of the 2018/2019 MTREF.

- The 2017/2018 Adjustment Budget priorities and targets, as well as the base line allocations contained in the adjustment Budget were adopted as the upper limits for the new baseline for the 2018/2019 annual budget.
- Intermediate service level standard were used to inform the measurable objectives, targets and backlog of eradication goals

According to Circular No: 89 and 91 (issued 08 March 2017) as per paragraph 7.1 municipalities must:-

"*According to international best practices, it is appropriate to reclassify historical information in line with the changes that occur in the Standard Chart of Account. However considering our own circumstances and technical capacity of smaller municipalities, it is proposed that municipalities disclose audited and current year (2017/2018) information using version 6.2 of the schedule.*

In relation to the 2018/2019 MTREF municipalities must use version 6.2 of the A Schedule. By implication to separate Schedule must be submitted"

According circular number 91 the CPI and Real GDP is as follows:

Fiscal Year	***2017/2018***	***2018/2019***	***2019/2020***	***2020/2021***
CPI Inflation	5.3%%	5.3%	5.4%	5.4%%
Real GDP Growth	1.0%	1.5%	1.8%	2.1%

1 SUMMARY OF OWN REVENUE & GRANTS AND SUBSIDIES

1.1 Table A3A and A4 (Revenue and Expenditure by Function (Municipal Vote)

Description	Budget 2017/2018	Budget 2018/2019	Variance	Percentage Increase or Decrease	Percentage on Total Budget
Equitable share	R 338 477 000	R 364 153 000	R 25 676 000	8%	59.71%
Financial Management Grant	R 1 700 000	R 1 700 000	R 0	0%	0.28%
EPWP	R 2 560 000	R 2 955 000	R 395 000	15%	0.48%
MIG	R 131 562 000	R 120 845 000	(R 10 717 000)	-8%	19.81%
WSIG8	R 45 000 000	R 50 000 000	R 5 000 000	11%	8.20%
TOTAL GRANTS AND SUBSIDIES	**R 519 299 000**	**R 539 653 000**	**R 20 354 000**	**4%**	

Own Revenue (Cash Basis)	***R 22 365 825***	***R 70 218 370***	***R 47 852 505***	***214%***	***11.52%***

Cash in Hand as at 30 June 2017 not committed to budget for 2017/18 financial Year recived from SARS returns as refund	***R 53 647 528***	***R 0***	***0%***	***0%***	***-***
TOTAL BUDGET(Cash Basis)	***R 617 197 889***	***R 609 871 370***	***(R 7 326 519)***	***1.20%***	***-***
Own Revenue Accrual Basis)	***R 142 334 008***	***R 258 058 276***	***R 115 114 974***	***44.71%***	
Total Budget (Accrual Basis)	***R 759 531 897***	***R 867 929 646***	***R 107 788 455***	***14.19%***	***12.43%***

The executive summary shows the following percentage as per the source of revenue:-

- 59.71% of the total revenue is from Equtiable Share Grant
- 0.27% of the total revenue is from FMG
- 0.48% of the total revenue is from EPWP
- 59.71% of the total revenue is from Equtiable Share Grant
- 0.28% of the total revenue is from FMG

- 0.48% of the total revenue is from EPWP
- 19.81% of the total revenue is from MIG
- 8.20% of the total revenue is from WSIG
- 11.52% of the total revenue is from Own Revenue (Projected revenue to be collected)

The realistically anticipated revenue for the 2018/2019 financial year amount ***R 609 871 370*** which is diveded as follows:

Grants and Subsidies amount to	R 539 653 000
Own Revenue amount to	R 70 218 370

Total	**R 609 871 371**

The projected revenue in terms of GRAP 24 which is Accrual Basis

Grand and Subsidies amount to	R 539 653 000
Own Revenue amount to	R 328 276 646
	…….
	R 867 929 646
	…….

Revenue in – kind allocated to the municipality as per the Division of Revenue Bill of 2018 is as follows:-

Description	**Budget 2018/19**	**Budget 2019/20**	**Budget 2020/21**
INEP Allocated to ESKOM	R 25 272 000	R 45 175 000	R 47 660 000
Water scheme (Loskop)	R 75 000 000	R 110 000 000	R 138 366 000
Total	**R 100 272 000**	**R 155 175 000**	**R 186 026 000**

The following tables are a consolidation overview of the proposed Revenue 2018/2019, 2020/2021 MTREF

1.3 Table 1 Consolidation overview of the 2018/2019 MTREF

Description	*Adjustment Budget 2017/2018*	*Draft Budget 2018/2019*	*Variance*	*Percentage*	*Reason(s) for less or more than 5.3%*
Property Rates:	*R 42 253 140*	*R 44 492 556*	*R 2 239 416*	*5.3*	*The budget under this source of revenue has been increased by 5.3 percent which is within the CPI*
Service Charges	*R 147 393 422*	*R 155 104 179*	*R 7 710 757*	*5.3%*	*Under service Charges the municipality has committed an amount R 47 880 000 which is 37.37 percent of the total billed amount to fund the operational expenditure under water* *This means that the municipality must collect an amount of R 47 880 000 under water failing to collect the above mentioned amount, the municipality will have a deficit equals to the above mentioned figure.*

Description	*Adjustment Budget 2017/2018*	*Draft Budget 2018/2019*	*Variance*	*%*	*Reason(s) for less or more than 5.3%*
Interest earn on investment	*R 6 228 115*	*R 6 500 000*	*R 271 885*	*4.18%*	*The municipality is intending to invest all fund received from SARS as VAT refund of which are not committed to the budget.*
Transfer Recognised - Operational	*R 369 644 022*	*R 392 250 250*	*R 22 606 228*	*5.76%*	*The allocation received by the municipality as Transfer Recognised – Operational has increased by 5.76 percent as the Division of Revenue Bill*
Other Own Revenue	*R 149 654 978*	*R 147 402 750*	*(R 2 252 228)*	*-1.52%*	*The other own revenue has decreased by -1.52 percent compared to 2017/2018 financial year*
Total	*R 759 531 897*	*R 867 929 646*	*R 108 397 749*	*12.49%*	*The total budget for 2018/19 financial year has increased by 12.49percent compared to the 2017/18 financial year as per the above mentioned various reasons*

- The budget of the municipality is prepared in two methods that is:

Cash Basis Budgeting is prepared in terms section 16, 17,18,19,20 21, 22, 23 and 24 of the Local Government:
Municipal Finance Management Act 56 of 2033.

The Cash basis is the realistically actual cash that the municipality is anticipating to collect from the consumers and from other sources of revenue eg Rentals of Facilities and Agency Commission

Accrual Basis Budgeting is prepared in terms of GRAP 24 standard.

The Accrual basis is the billing revenue which is charged on monthly basis to the consumers of which only five percent is collected from the billed amount.

In terms section 17 (2) of the Local Government: Finance Management Act 56 of 2003;

"An annual Budget must general be divided into a capital and an operating budget in accordance with international practise, as may be prescribed.

SUMMARY OF OPERATING BUDGET

Description	Budget 2017/18	Budget 2018/19	Variance		Percentage on Budget
Staff benefits	R 131 248 487	R 137 111 091	R 5 862 604	4.28%	30.52%
Councillors allowances	R 24 256 137	R 26 241 903	R 1 985 766	7.57%	5.84%
Ward Committee	R 3 890 000	R 3 890 000	R 0	-	0.87%
Bulk Purchase	R 126 803 148	R 127 673 404	R 870 256	0.68%	28.22%
Delivery of Water	R 11 201 840	R 10 248 032	R 953 808	9.30%	2.28%
Free Basic Electricity	R 3 531 821	R 3 531 821	R 0	-	0.79%
Sub – Total opex	R 300 931 433	R 307 825 995	R 6 894 562	2.4%	
Repairs and Maintenance Expenditure	R 36 655 894	R 38 655 894	R 2 000 000	5.17%	8.60%
Other Operational Expenditure	R 326 644 657	R 418 195 291	R 6 597 401	6.42%	22.89%
Accruals for 2016/2017	R 25 010 979	R 0	R 0		-

Total – Operational Budget	**R 689 242 963**	**R 764 677 180**	**(R 9 519 016)**	**-2.12%**	**-**
Capital Expenditure – MIG/ WSIG	**R 153 294 324**	**R 148 282 751**	**(R 5 011 573)**	**-3.38%**	**-**
Construction of Storm Water	**R 0**	**R 600 000**			**-**
Furniture	**R 230 000**	**R 230 000**	**R 0**		**-**
Computer Equipment	**R 880 000**	**R 880 000**	**R 0**		**-**
Biometric System	**R 1 400 000**	**R 1 400 000**	**R 0**		**-**
Construction of Change Rooms	**R 321 000**	**R 0**	**R 0**		**-**
Fire Arms	**R 200 000**	**R 0**	**R 0**		**-**
Total Capital Budget	**R 156 325 324**	**R 150 512 751**	**(R 5 812 573)**	**-3.86%**	**25.09%**
Total Budget for 2018/2019	**R 845 568 287**	**R 915 189 931**	**R 21 752 065**	**2.51%**	**-**

The executive summary shows the following percentage as per category of expenditure:-

- 5.84 % of the total operational budget is for councillors allowances
- 30.52% of the total operational budget is for employee cost
- 0.87% of the total operational ward committee
- 8.60% of the total operational budget is for repairs and Maintenance

- 22.89% of the total operational budget is for other operational expenditure
- 2.28% of the total operational budget is for delivery of water
- 0.79% of the total operational budget is for free basic electricity
- 28.22% of the total operational budget is for bulk purchase of water
- 33.49% of the total municipal budget is for capital budget
- 29.96% of the total municipal budget is for non – cash bank items

The following tables are a consolidation overview of the proposed Operating Expenditure 2018/2019, 2020/2021 MTREF

Employee Costs	R 131 248 487	R 137 120 093	R 5 871 606	4.28%	The projected increase for employees including section 57 Managers is 7.5 percent. The reason for the variance between the 2017/18 budget and 2018/19 budget is because of the new costing of Organogram.
Remuneration of Councillors	R 24 256 137	R 26 241 686	R 1 985 549	7.57%	The budgeted increase for the Remuneration of Councillors is 6.5 percent for part time councillors and 5.5 percent for Mayoral Committee Members, Chief Whip, Speaker and the Executive Mayor
Depreciation& Asset Impairment	R 171 267 937	R 180 345 137	R 9 077 200	5.03%	The depreciation budgeted is a non-cash back items which is used for

					Accounting purposes as per the GRAP 17
Material and Bulk Purchase	R 138 951 282	R 140 543 323	R 1 592 041	1.13%	The material and bulk purchase of water has been increased by 1.13 percent because of less water supplied by the services providers for the past two financial years
Transfers and Grants	R 41 835 381	R 46 694 475	R 4 859 094	10.41%	The budgeted amount for transfers and Grants has increased by 10.41 percent, the reason is that there are additional indigent that are receiving free basic electricity and also there are additional consumers added to the data base which receive free basic water
Other Expenditure	R 338 009 064	R 384 245 216	(R 1 633 427)	-.049%	Other expenditure has decrease by 0.49 percent compared to 2017/18 financial year
Total	**R 845 568 287**	**R 915 189 931**	**R 69 621 644**	**7.61%**	The total operating expenditure has increase by 7.61 percent compare to 2017/18 financial year
Surplus/(Deficit) for the Year	**(R 86 036 390)**	**(47 260 284)**	**(R 38 776 106)**	**-82.05%**	The deficit for the has decreased by 82.05 percent because of the increase on the projection of traffic fines.

The 2018/2019 actual operational expenditure (cash Basis) for the municipality is projected to an amount of ***R 450 049 455*** which is -1.95 per cent compared to 2017/2018 financial year amount to ***R 458 826 056***

Summary of Non Cash Back Items

Description	**Budgeted Amount**
Depreciation	R 180 345 137
Provision for Bad Debt	R 177 780 509
Provision for Traffic Fines	R 47 808 000
Provision for Leave	R 4 287 647
Provision for Bonus	R 6 929 278
Provision for Medical Actuarie	R 3 431 400
Free Basic Water (Revenue forgone)	R 42 979 005
Provision for Land Filll	R 1 579 500
Total Budget	***R 465 140 476***

The 2018/2019 operational expenditure including non cash back items which are the requirements by the regulations and GRAP Standards amount to ***R 465 140 476 which*** are included in the operational budget will amount to ***R 915 189 931.***

Function	Adjustment Budget 2017/18	Budget for 2018/19	Variance	Percentage	Reason for Variance less or more than 5.3%
Capital Budget	R 156 325 325	R 150 512 751	R 5 812 574	3.86	The allocation of MIG is being reduced by 9.16 percent and this affected the budget for 2018/19 financial year.

Summary of Capital Expenditure

The 2018/2019 financial year capital expenditure projected to an amount to ***R 150 512 751*** which decreased by 3.86 percent than 2018/2019 Adjustment Budget. The capital expenditure will be funded from MIG and WSIG and procurement of furniture and computers are funded from own revenue.

1.4 Table 2 Summary of Revenue Classified by Main Revenue Source

Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
Original Budget	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2018/19**	**Budget Year +1 2019/20**	**Budget Year +2 2020/21**
395 492	**393 366**	**393 366**	**421 923**	**459 253**	**498 987**
–	–	–	–	–	–
395 492	393 366	393 366	421 923	459 253	498 987
–	–	–	–	–	–
2 713	**149**	**149**	**157**	**166**	**175**
114	136	136	144	151	160
39	13	13	14	14	15
2 560	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
141 675	**140 771**	**140 771**	**205 945**	**213 124**	**225 205**
132 795	132 785	132 785	122 214	124 872	132 100
8 880	7 986	7 986	83 731	88 252	93 106
–	–	–	–	–	–
222 197	**225 245**	**225 245**	**239 904**	**247 045**	**260 632**
–	–	–	–	–	–
178 771	178 738	178 738	190 775	198 377	209 288
2 562	2 876	2 876	2 926	3 084	3 253
40 864	43 632	43 632	46 203	45 584	48 091
–	–	–	–	–	–
762 076	**759 532**	**759 532**	**867 930**	**919 588**	**984 999**

Table 3 Percentage Growth in Revenue by Main Revenue Source

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework				
R thousand		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1						
Vote 1 - 100 Council & General		–	–	–	–	–	–
Vote 2 - 102 Municipal Manager Town Secretary and Chief Executive: Municipal Manager		–	–	–	–	–	–
Vote 3 - Vote 3 - 103 ECONOMIC DEVELOPMENT/PLANNING:LED		–	–	–	84	89	93
Vote 4 - Vote 4 - 104 BUDGET AND TREASURY OFFICE		395 134	393 009	393 009	421 777	459 099	498 824
Vote 5 - Vote 5 - 105 ECONOMIC DEVELOPMENT/PLANNING:TECHNICAL SERVICES		131 812	132 120	132 120	121 432	124 048	131 230
Vote 6 - Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNING:PMU		–	–	–	–	–	–
Vote 7 - Vote 7 - 520 SOLID WASTE REMOVAL		43 424	43 632	43 632	46 203	45 584	48 091
Vote 8 - Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		–	–	–	–	–	–
Vote 9 - Vote 9 - 540 WATER DISTRIBUTION:WATER		178 771	178 738	178 738	190 775	198 377	209 288
Vote 10 - Vote 10 - 550 ROADS: ROADS AND STORMWATER		–	–	–	–	–	–
Vote 11 - Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		2 562	2 876	2 876	2 926	3 084	3 253
Vote 12 - Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR		–	–	–	146	154	163
Vote 13 - Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: COMMUNITY SERVICES		1 287	999	999	698	736	776

Road and Traffic Regulation: Community Traffic Services (Dept 108)		8 880	7 986	7 986	83 731	88 252	93 106
Vote 15 - Vote 15 -300 COMMUNITY PARKS/NURSARIES:PARKS AND CULTURAL FACILITIES		206	173	173	157	166	175
Total Revenue by Vote	2	**762 076**	**759 532**	**759 532**	**867 930**	**919 588**	**984 999**

In terms of Municipal Budget and Reporting Regulation, capital transfer and contribution are excluded from the operating statement, the inclusion of these revenue sources would distort the calculation of operating surplus/deficit

Table 4 Operating Transfer and Grants Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2						
Operating Transfers and Grants							
National Government:		**342 737**	**342 737**	**342 737**	**368 808**	**400 155**	**436 638**
Local Government Equitable Share		338 477	338 477	338 477	364 153	398 455	434 938
Finance Management		1 700	1 700	1 700	1 700	1 700	1 700
EPWP Incentive		2 560	2 560	2 560	2 955	–	–
Total Operating Transfers and Grants	5	**342 737**	**342 737**	**342 737**	**368 808**	**400 155**	**436 638**
Capital Transfers and Grants							
National Government:		**131 562**	**131 562**	**131 562**	**120 845**	**123 429**	**130 577**
Municipal Infrastructure Grant (MIG)		131 562	131 562	131 562	120 845	123 429	130 577
Water Services Infrastructure Grant		**45 000**	**45 000**	**45 000**	**50 000**	**50 000**	**52 750**
Water Services Infrastructure Grant		45 000	45 000	45 000	50 000	50 000	52 750
Total Capital Transfers and Grants	5	**176 562**	**176 562**	**176 562**	**170 845**	**173 429**	**183 327**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**519 299**	**519 299**	**519 299**	**539 653**	**573 584**	**619 965**

References

In the 2018/2019 financial year, the operating grants total amount to R 374 850 million and constitute 90.7 per cent. For 2019/20 increased to an amount of R 409 479 million and 2019/20 increase to an amount of R 443 357 million MTREF.

1.5 Operating Expenditure Framework

MP315 Thembisile Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type											
Employee related costs	2	104 534	108 510	111 186	124 541	131 640	131 640	77 329	137 119	144 355	149 627
Remuneration of councillors		18 332	20 009	21 046	24 256	24 256	24 256	15 712	26 242	27 659	29 180
Debt impairment	3	55 206	164 698	184 979	170 762	170 762	170 762	–	177 781	187 381	197 687
Depreciation & asset impairment	2	105 263	143 422	82 553	171 268	171 268	171 268	–	180 345	190 084	200 538
Finance charges		661	396	–							
Bulk purchases	2	99 990	119 250	114 277	132 803	126 803	126 803	78 096	127 673	134 568	141 969
Other materials	8	69	1 238	2 472	4 666	12 148	12 148	6 107	12 870	13 565	14 311
Contracted services		10 544	11 448	12 403	33 668	20 437	20 437	9 894	60 642	63 917	67 432
Transfers and subsidies		12 297	57 467	108 333	45 725	41 835	41 835	3 713	46 694	49 216	51 923
Other expenditure	4, 5	71 821	105 527	69 007	100 014	146 418	146 418	61 060	145 824	79 705	83 986
Loss on disposal of PPE		487	5 240	1 123							
Total Expenditure		**479 203**	**737 205**	**707 379**	**807 704**	**845 568**	**845 568**	**251 910**	**915 190**	**890 449**	**936 652**

MP315 Thembisile Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Surplus/(Deficit)		**(20 634)**	**(211 660)**	**(41 538)**	**(197 611)**	**(235 691)**	**(235 691)**	**215 698**	**(194 663)**	**(119 582)**	**(108 913)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		79 337	176 790	146 504	151 984	149 655	149 655	31 579	147 403	148 721	157 260
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**58 703**	**(34 870)**	**104 966**	**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**
Taxation											
Surplus/(Deficit) after taxation		**58 703**	**(34 870)**	**104 966**	**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**58 703**	**(34 870)**	**104 966**	**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**58 703**	**(34 870)**	**104 966**	**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**

The budget for operating expenditure for 2018/19 financial year show a deficit amount to R 194 663 million before including the capital budget amount to R 147 403 million and there after show a deficit amount to R 47 260 million. The deficit is as a result of non – cash back items such as depreciation, impairment/provision of debtors, and provision for leaver, bonus, landfill site and actuaries.

The following graphical representation gives a breakdown of the main expenditure categories for the 2018/19 financial year

1.6 Capital Expenditure

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Municipal Vote				
Multi-year expenditure appropriation	2			
		-	-	-
Vote 8 - Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		**12 122 600.0**	**4 500 000.0**	**4 500 000.0**
Installation of High Mast Lights and Street Lights at Various Villages		**12 122 600.0**	**4 500 000.0**	**4 500 000.0**
		-	-	-
Vote 9 - Vote 9 - 540 WATER DISTRIBUTION:WATER		**32 600 000.0**	**69 600 000.0**	**68 676 999.0**
Upgrading of vlaklaagte & Kwaggafontein water infrastructure(Multi-Year Project)		**8 613 686.0**	**8 613 686.0**	-
Moloto Groundwater Supply Scheme Development(Multi-Year Project)		**17 657 885.0**	**17 657 885.0**	**11 857 652.0**
Construction of Two Gantries on the Dr JSMLM & CoT Bulk pipelines		**1 616 429.0**	**1 616 429.0**	-
Upgrading of Moloto, KwaMhlanga & Kameelpoortnek water infrastructure (Multi-Year Project)		-	-	**7 593 069.0**
Construction of Reticulation in Kwaggafontein A (Emasimini, Ward 29- Phase 1)		**2 112 000.0**	**2 112 000.0**	-
Construction of Reticulation in Kwaggafontein A (Emasimini, Ward 29- Phase 2)		-	-	**4 000 000.0**
Upgrading of Sheldon water infrastructure (Multi-Year Project)		-	-	**2 649 278.0**
Upgrading of Mahlabathini infrastructure		-	-	**2 050 000.0**
Upgrading of Tweefontein C and DK Water infrastructure(Multi-Year)		-	-	**1 500 000.0**
Upgrading of Zenzele (Khayelisha) Water infrastructure (Multi-Year)		-	-	**1 200 000.0**
Upgrading of Tweefontein G Water infrastructure (Multi-Year)		-	-	**1 200 000.0**
Upgrading of Phumula (Entokozweni) Water infrastructure (Multi-Year)		-	-	**950 000.0**
Upgrading of Verena A Water infrastructure (Multi-Year)			**10 000 000.0**	**10 000 000.0**
Upgrading of Sheldon water infrastructure (Multi-Year Project)			**15 000 000.0**	**15 000 000.0**
Upgrading of Mahlabathini Water infrastructure (Multi-Year)			**7 000 000.0**	**7 000 000.0**
Upgrading of Tweefontein C and DK Water infrastructure(Multi-Year)			**5 000 000.0**	
Telemetry Systen		**500 000.0**	**500 000.0**	-
Refurbishment of Gundry		**2 100 000.0**	**2 100 000.0**	**3 677 000.0**
		-	-	-
Vote 10 - Vote 10 - 550 ROADS: ROADS AND STORMWATER		**5 000 000.0**	**6 500 000.0**	**6 500 000.0**
Regravelling of internal Roads in Various Villages		**5 000 000.0**	**6 500 000.0**	**6 500 000.0**
		-	-	-
Vote 11 - Vote 11 - 560 WASTE WATER TREATMENT: SANITATION		**6 000 000.0**	**30 000 000.0**	**30 000 000.0**
Lithuli Waste water Treartment works Phase 1 (Multi-Year Project)		**3 000 000.0**	**15 000 000.0**	**15 000 000.0**
Upgrading of Tweefontein K waste water treatment works Phase 2 (Multi-Year Project)		**3 000 000.0**	**15 000 000.0**	**15 000 000.0**
		-	-	-
Vote 15 - Vote 15 -300 COMMUNITY PARKS/NURSARIES:PARKS AND CULTURAL FACILITIES		**700 000.0**	**17 921 199.0**	**17 921 199.0**
Construction of Multi-Purpose Centre in Phumula (Multi-Year Project)		**700 000.0**	**10 817 967.0**	**10 817 967.0**
Upgrading of Kwaggafontein Stadium		-	**4 244 937.0**	**4 244 937.0**
Construction of Multi-Purpose Centre in Moloto North (Multi-Year Project)		-	**2 858 295.0**	**2 858 295.0**
Capital multi-year expenditure sub-total		**71 879 996.0**	**145 232 149.0**	**155 725 148.0**

Capital expenditure - Municipal Vote								
Single-year expenditure appropriation	2							
Vote 6 - Vote 6 - 500 ECONOMIC DEVELOPMENT/PLANNING:PMU		**–**	**120**	**120**	**–**	**-**	**-**	**-**
Computer Equipment			120	120	–			
Vote 7 - Vote 7 - 520 SOLID WASTE REMOVAL		**9 218**	**14 825**	**14 825**	**1 776**	**-**	**-**	**-**
Upgrading of Kwaggafontein Landfill site (Multi-Year Project)		9 218	14 825	14 825	1 776			
Vote 8 - Vote 8 - 530 ENERGY SOURCES : ELECTRICITY		**667**	**463**	**463**	**458**	**-**	**-**	**-**
Installation of High Mast Lights and Street Lights at Various Villages		667	463	463	458			
Vote 9 - Vote 9 - 540 WATER DISTRIBUTION:WATER		**41 316**	**48 330**	**48 330**	**24 498**	**75 523**	**-**	**-**
New Resevoir & Pipeline at KwaMhlanga Phola Park & Mountainview Communities Phase 2 (Multi-Year)						15 743	–	–
Upgrading of Existing Infrastructure for Agriculture Project of Augment Borehole Water supply in Bundu						57 785	–	–
Upgrading of Enkeldoornoog B water infrastructure - Phase 2						1 994	–	–
Capital Exp		41 316	48 330	48 330	24 498			
Vote 10 - Vote 10 - 550 ROADS: ROADS AND STORMWATER		**3 500**	**3 500**	**3 500**	**3 380**	**600**	**-**	**-**
Contruction of Storm Water Ward 29						200	–	–
Contruction of Storm Water Ward 28						200	–	–
Contruction of Storm Water Ward 16						200	–	–
Capital Exp		3 500	3 500	3 500	3 380			

Vote 12 - Vote 12 - 106 HUMAN ROSOURCES MANAGEMENT:HR	**880**	**2 280**	**2 280**	**–**	**2 510**	**2 646**	**2 791**
Furniture					230	242	256
Computer Equipment					880	928	979
Biomatrix SYSTEM					1 400	1 476	1 557
Capital Exp	880	2 280	2 280	–			
Vote 13 - Vote 13 - 107 ECONOMIC DEVELOPMENT/PLANNING: COMMUNITY SERVICES	**–**	**321**	**321**	**–**	**-**	**-**	**-**
Capital Expenditure		321	321	–	-	-	-
Vote 14 - Vote 14 - 108 ROAD AND TRAFFIC REGULATION: TRAFFIC SERVICES	**–**	**200**	**200**	**–**	**-**	**-**	**-**
14.1 - [Name of sub-vote]		200	200	–			
Vote 15 - Vote 15 -300 COMMUNITY PARKS/NURSARIES:PARKS AND CULTURAL FACILITIES	**500**	**530**	**530**	**382**	**-**	**-**	**-**
Capital Exp	500	530	530	382			
Capital single-year expenditure sub-total	**56 081**	**70 569**	**70 569**	**30 494**	**78 633**	**2 646**	**2 791**
Total Capital Expenditure	**153 364**	**156 325**	**156 325**	**82 262**	**150 513**	**147 878**	**158 516**

The municipality has budgeted an amount of R 150.5 million which is

1.7 Annual Budget Tables

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source								
Property rates	2	47 663	42 253	42 253	28 558	44 492	46 895	49 474
Service charges - electricity revenue	2	–	–	–	–	–	–	–
Service charges - water revenue	2	111 923	112 070	112 070	56 978	118 011	124 384	131 225
Service charges - sanitation revenue	2	2 091	2 769	2 769	1 685	2 813	2 965	3 128
Service charges - refuse revenue	2	32 346	32 555	32 555	21 704	34 280	36 132	38 119
Service charges - other		–	–	–				
Rental of facilities and equipment		445	412	412	136	498	525	554
Interest earned - external investments		7 153	6 228	6 228	4 393	6 500	6 851	7 228
Interest earned - outstanding debtors		30 242	30 242	30 242	48 176	31 845	33 565	35 411
Dividends received		–	–	–	–	–	–	–
Fines, penalties and forfeits		2 103	2 121	2 121	197	79 700	84 003	88 624
Licences and permits		5 002	4 970	4 970	16 979	3 151	3 321	3 503
Agency services		1 977	1 158	1 158	–	1 158	1 221	1 288
Transfers and subsidies		367 315	369 644	369 644	253 858	392 250	424 863	462 705
Other revenue	2	1 832	5 455	5 455	34 944	5 828	6 143	6 481
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)		**610 093**	**609 877**	**609 877**	**467 608**	**720 527**	**770 867**	**827 739**

The budget of the municipality for 2018/2019 is prepared on accrual basis, because if is prepared on cash basis it will not comply with GRAP Standard
The budget is also prepared in terms 89 and 9 of which the municipalities were directed to
Prepare their budget in term of mSCOA version 6.2

There are various sources of revenue of the municipality as per the above attached Table A4
Budget Financial Performance Revenue which is as follows:-

(i) Property Rates

The budget amount under this source of revenue amount to ***R 44.4 million*** of which is more than the adjusted budget by 5.03 percent, the above mentioned amount is for billing. The actual amount committed to expenditure amount to ***R 3.8 million.***

(ii) Services Charges: Water

The budget amount under this source of revenue amount to ***R 117.8 million*** of which is more than the adjusted budget by 5.08 percent, the realistically projected revenue amount to ***R 47.8 million.***

(iii) Services Charges: Sanitation

The budget amount under this source of revenue amount to ***R 2.5 million*** of which is more than the adjusted budget by 5.3 percent, the realistically projected revenue amount to ***R 137*** **thousand**

(iv) Services Charges: Refuse

The budget amount under this source of revenue amount to ***R 34.2 million*** of which is more than the adjusted budget by 5.3 percent, the realistically projected revenue amount to **R 600 thousand**

Currently the municipality is collecting refuse to all villages within the municipality there are only six compactor trucks which are used.

(v) Other Income

The municipality budget an amount of ***R 147.4 million*** of which is less than the adjusted budget of 20172018 financial year.

Transfer Recognised on Operation

The Grants and Subsidies as per the Bill allocation for 2018 amount to ***R 539.6 million*** which shows as increase of 3.78 per cent compared to 2017/2018 financial year allocation.

(vi) Total Revenue (Excluding Capital Transfer and Contribution)

The total budgeted revenue including Grants and Subsidies excluding capital allocation amount to ***R 720.5 million*** which shows an increase 15.36 per cent compared to 2017/2018 financial year projections.

The actual income as per Cash Flow (A7) which is committed to operating expenditure amount to ***R 609.8 million*** excluding capital projects amount to ***R 150.5 million***.

1.4 Operating Expenditure Framework

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type								
Employee related costs	2	124 541	131 640	131 640	77 329	137 119	144 355	149 627
Remuneration of councillors		24 256	24 256	24 256	15 712	26 242	27 659	29 180
Debt impairment	3	170 762	170 762	170 762	–	177 781	187 381	197 687
Depreciation & asset impairment	2	171 268	171 268	171 268	–	180 345	190 084	200 538
Finance charges								
Bulk purchases	2	132 803	126 803	126 803	78 096	127 673	134 568	141 969
Other materials	8	4 666	12 148	12 148	6 107	12 870	13 565	14 311
Contracted services		33 668	20 437	20 437	9 894	60 642	63 917	67 432
Transfers and subsidies		45 725	41 835	41 835	3 713	46 694	49 216	51 923
Other expenditure	4, 5	100 014	146 418	146 418	61 060	145 824	79 705	83 986
Loss on disposal of PPE								
Total Expenditure		**807 704**	**845 568**	**845 568**	**251 910**	**915 190**	**890 449**	**936 652**
Surplus/(Deficit)		**(197 611)**	**(235 691)**	**(235 691)**	**215 698**	**(194 663)**	**(119 582)**	**(108 913)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		151 984	149 655	149 655	31 579	147 403	148 721	157 260
Transfers and subsidies - capital (in-kind - all)								
Taxation								
Surplus/(Deficit) after taxation		**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**
Attributable to minorities								
Surplus/(Deficit) attributable to municipality		**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**
Share of surplus/ (deficit) of associate	7							
Surplus/(Deficit) for the year		**(45 627)**	**(86 036)**	**(86 036)**	**247 277**	**(47 260)**	**29 139**	**48 346**

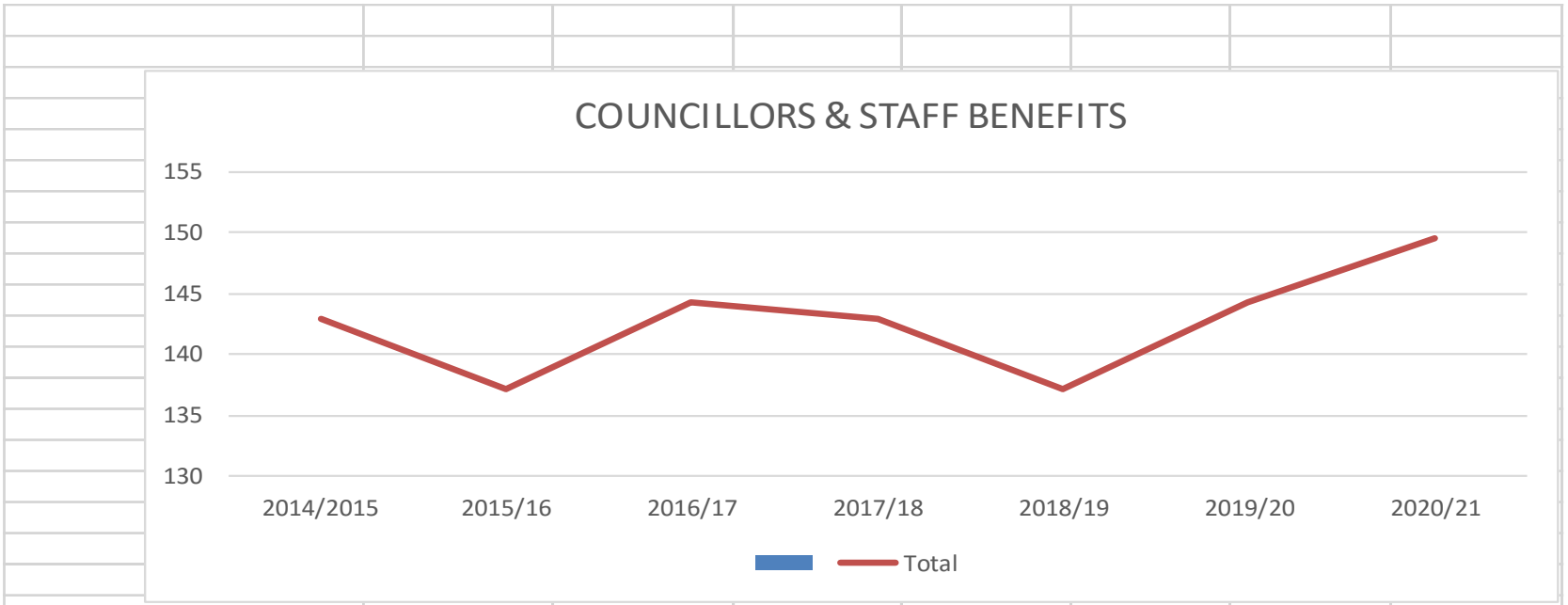
The Operational Budget of the municipality for 2018/2019 financial year is subdivided as follows:-

Employee Related Costs

The municipality budget an amount of ***R 137.1. Million*** for employee related costs which shows an increase of 4.01 per cent of which the projected salaries increase for the financial year is 7.5 percent and the reason for the indication of 4.01 percent is because of new costing of salaries and due the correction of over budgeting during the adjustment budget. The reason for the over budgeting is as a result of the alignment of Munsoft System to the VIP of which there were duplication employees budgeted in more than one function/ vote

Remuneration of Councillors

The municipality budget an amount of ***R 26.2 million*** for councillors related costs which shows an increase of 8.4 per cent The cost associated with the Remuneration of councillors is to be determined by the Mister of Operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget and allowed for increase of rate of 5.5 percent for part time councillors and 5 per cent for full time councillors



Salaries/Allowances	2014/2015	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total	142.9	137.1	144.3	142.9	137.1	144.3	149.6

NON – Cash Back Items

In terms of GRAP the municipality is compelled to budget for the following Non-Cash Back item:-

Debt Impairment

The municipality budget an amount of ***R 177.7 million*** as debt impairment of the consumers that are not paying for the services. Currently the municipality is managing to collect only 5 per cent of the total billed revenue. This means that the 95 per cent which is not collected by the municipality it goes to the debt impairment.

Depreciation (Assets Impairment)

The municipality budget an amount of ***R 180.3 million*** for the depreciation of municipality assets as per the Assets Management Policy adopted by the council.
Which are classified as per for following categories according to mSCOA:

Leave and Bonus Provisions

The municipality budget an amount of ***R 4.2 million*** for leave provision and also budgeted an amount of ***R 6.9 million*** for Bonus provision

Provision for Landfill

The municipality budget an amount of ***R 1.5 million*** for landfill site provision

Provision for Traffic Fines

The municipality budget an amount of ***R 47.8*** for traffic fines provision

The overall budgeted amount for non - cash back items amount to ***R 353.63 million*** which shows an increase of the total operational budget for 2017/2018 financial year.

Finance Changes

The municipality does not have a loan and is not intending to make any loan in 2018/2019 financial
Year

Bulk Purchase

The municipality budgeted an amount of ***R 127.6 million*** for the bulk purchase from the following services providers:

- ✓ Rand Water
- ✓ City of Tshwane

- ✓ DR JS Moroka Municipality

Other Material

The municipality budgeted an amount of ***R 1.2 million*** for the other material which shows an increase of 8.33 per cent

Contracted Services

The municipality budgeted an amount of ***R 13 million*** for the contracted services which shows an increase of 9.09 per cent

Transfer of Grants

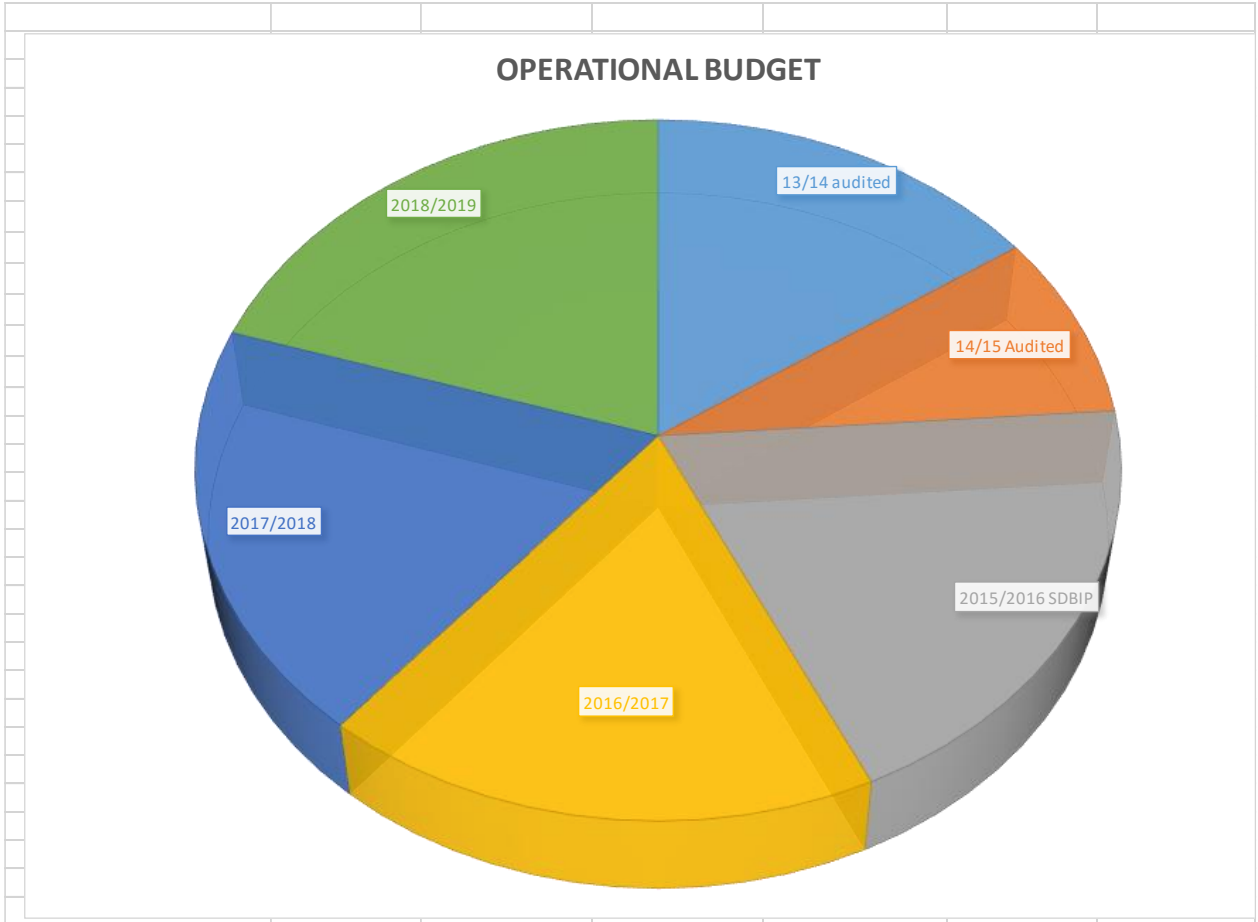
The municipality budgeted an amount of ***R 28 million*** for the transfer of Grants which shows an increase of 33.92 per cent

Other Expenditure

The municipality budget an amount of ***R 73.4 million*** for other expenditure which shows a decrease on other expenditure.

Total Operational Expenditure

The municipality budget an amount of ***R 603.7 million*** for Operation Budget which include the non-cash back items amounting to ***R 465.1 million***. The actual operation expenditure excluding non-cash back items amount to ***R 645.17 million***



	13/14 audited	14/15 Audited	2015/2016 SDBIP	2016/2017	2017/2018	2018/2019
Bulk purchase & Material	110 951 000	62 054 000	139 641 061	130 000 000	137 540 000	145 517 320
Employee related costs	98 733 000	99 603 000	107 340 510	116 208 672	124 104 946	132 538 166
Remuneration of Councillors	17 836 258	19 091 720	20 675 110	21 614 783	22 868 441	24 194 810
Other expenditure	181 231 872	180 627 757	304 029 848	303 863 074	253 392 676	193118676.6
TOTAL	***408 752 130***	***361 376 477***	***571 686 529***	***571 686 530***	***537 906 063***	***495 368 973***

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates					1 842	3 684	3 684	1 726	3 523	3 713	3 918
Service charges					1 349	1 599	1 599	1 101	48 791	51 428	54 256
Other revenue					36 551	80 588	80 588	47 474	30 641	32 296	34 072
Government - operating	1				367 315	367 315	367 315	257 350	374 850	409 479	443 357
Government - capital	1				151 984	151 984	151 984	127 212	145 406	142 632	157 048
Interest					7 953	11 138	11 138	4 541	6 660	7 020	7 405
Dividends					–	–	–	–	–	–	–
Payments											
Suppliers and employees					(367 587)	(417 091)	(417 091)	(248 197)	(405 547)	(422 542)	(443 114)
Finance charges					–	–	–		–	–	–
Transfers and Grants	1				(45 725)	(41 735)	(41 735)	(3 713)	(43 760)	(46 123)	(48 660)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**–**	**–**	**153 681**	**157 481**	**157 481**	**187 493**	**160 564**	**177 901**	**208 282**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets					(153 364)	(156 325)	(156 325)	(82 262)	(150 513)	(147 878)	(158 516)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**–**	**(153 364)**	**(156 325)**	**(156 325)**	**(82 262)**	**(150 513)**	**(147 878)**	**(158 516)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**–**	**–**	**317**	**1 156**	**1 156**	**105 232**	**10 052**	**30 024**	**49 766**
Cash/cash equivalents at the year begin:	2				**69 586**	**50 000**	**50 000**	**69 577**	**66 000**	**76 052**	**106 075**
Cash/cash equivalents at the year end:	2	**–**	**–**	**–**	**69 904**	**51 156**	**51 156**	**174 808**	**76 052**	**106 075**	**155 841**

Table A7 shows the realistically actual projected revenue which the municipality has committed to the operational expenditure which is as follows:-

Rates and Taxes

The budgeted amount under this source of revenue amount to ***R 3.6 million*** of which is less than the adjusted budget by 2.86 percent, the reason behind the decrease of projected revenue is the non – payment services by the consumers.

Service Charges

The actual budgeted amount under services charges amount to ***R 48.7 million*** which is more than the adjusted budget of 2017/2018 financial year by 96.91 per cent.

Other Revenue

The actual budgeted amount under other revenue amount to ***R 30.6 million*** which is less than the adjusted budget of 2017/2018 financial year by 163.07 percent.

Government Operating

The Grants and Subsidies as per Bill allocation for 2018 amount to ***R 374.8 million*** which show an increase by 2 per cent and this excluding the capital grant

Interest

The actual budgeted amount under interest amount to **R 4.5 million** which is less than the adjusted budget of 2017/2018 financial year.

Total Revenue

The actual total own revenue plus operational grants amount to ***R 609 million*** excluding capital allocation of ***R 150.5 million***

The projected cash and cash equivalent at year end amount to ***R 76.0 million***, of which ***R 53.1*** million is projected collected from SARS as a VAT Refund.

MP315 Thembisile Hani - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	86 440	68 832	69 586	69 904	51 156	51 156	174 808	76 052	101 387	146 206
Other current investments > 90 days		0	–	–	(15 508)	25 388	25 388	28 854	–	(21 228)	(61 639)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**86 440**	**68 832**	**69 586**	**54 396**	**76 544**	**76 544**	**203 662**	**76 052**	**80 158**	**84 567**
Application of cash and investments											
Unspent conditional transfers		57 091	21 143	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	63 104	46 280	44 479	15 723	8 203	8 203	(5 806)	15 307	17 018	17 954
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5				–	–	–	–	53 100	55 967	59 046
Total Application of cash and investments:		**120 195**	**67 423**	**44 479**	**15 723**	**8 203**	**8 203**	**(5 806)**	**68 407**	**72 985**	**76 999**
Surplus(shortfall)		**(33 755)**	**1 409**	**25 108**	**38 673**	**68 341**	**68 341**	**209 468**	**7 644**	**7 173**	**7 568**

Table A8 Cash backed reserves/accumulated surplus reconciliation shows that the municipal budget is having a surplus of an amount of ***R 7.6 million***.

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	–	–	–	69 904	51 156	51 156	174 808	76 052	106 075	155 841
Cash + investments at the yr end less applications - R'000	18(1)b	2	–	–	–	38 673	68 341	68 341	209 468	8 267	8 714	9 194
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	1.6	1.1	1.1	10.1	1.5	2.1	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	–	–	–	(45 627)	(86 036)	(86 036)	247 277	(47 260)	29 139	48 346
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(8.3%)	(6.0%)	(48.6%)	(0.8%)	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	16.9%	36.7%	36.7%	24.0%	25.8%	25.8%	25.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	88.0%	90.0%	90.0%	0.0%	89.1%	89.1%	89.1%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	2365.0%	57.9%	5.4%	5.5%

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a			0.0%	0.0%	0.0%	(2.3%)	0.0%	(42.6%)	5.2%	5.4%	5.5%
% incr Property Tax	18(1)a			0.0%	0.0%	0.0%	(11.4%)	0.0%	(32.4%)	5.3%	5.4%	5.5%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.1%	0.0%	(49.2%)	5.3%	5.4%	5.5%
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	32.4%	0.0%	(39.1%)	1.6%	5.4%	5.5%
% incr Service charges - refuse revenue	18(1)a			0.0%	0.0%	0.0%	0.6%	0.0%	(33.3%)	5.3%	5.4%	5.5%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		–	–	–	194 024	189 646	189 646	108 924	199 597	210 375	221 945
Service charges			–	–	–	194 024	189 646	189 646	108 924	199 597	210 375	221 945
Property rates			–	–	–	47 663	42 253	42 253	28 558	44 492	46 895	49 474
Service charges - electricity revenue			–	–	–	–	–	–	–	–	–	–
Service charges - water revenue			–	–	–	111 923	112 070	112 070	56 978	118 011	124 384	131 225
Service charges - sanitation revenue			–	–	–	2 091	2 769	2 769	1 685	2 813	2 965	3 128
Service charges - refuse removal			–	–	–	32 346	32 555	32 555	21 704	34 280	36 132	38 119
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			–	–	–	445	412	412	136	498	525	554
Capital expenditure excluding capital grant funding			–	–	–	–	–	–	–	150 513	147 878	158 516
Cash receipts from ratepayers	18(1)a		–	–	–	39 741	85 871	85 871	50 300	82 955	87 436	92 246
Ratepayer & Other revenue	18(1)a		–	–	–	235 624	234 005	234 005	209 357	321 777	339 153	357 806
Change in consumer debtors (current and non-current)			(155 815)	–	–	37 926	37 926	37 926	934 888	21 949	3 233	3 471
Operating and Capital Grant Revenue	18(1)a		–	–	–	519 299	519 299	519 299	285 437	539 653	573 584	619 965
Capital expenditure - total	20(1)(vi)		–	–	–	–	–	–	–	150 513	147 878	158 516
Capital expenditure - renewal	20(1)(vi)		–	–	–	–	–	–		–	–	–

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
Total Operating Revenue			–	–	–	610 093	609 877	609 877	467 608	720 527	770 867	827 739
Total Operating Expenditure			–	–	–	807 704	845 568	845 568	251 910	915 190	890 449	936 652
Operating Performance Surplus/(Deficit)			–	–	–	(197 611)	(235 691)	(235 691)	215 698	(194 663)	(119 582)	(108 913)
Cash and Cash Equivalents (30 June 2012)										76 052		
Revenue												
% Increase in Total Operating Revenue				0.0%	0.0%	0.0%	(0.0%)	0.0%	(23.3%)	18.1%	7.0%	7.4%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	(11.4%)	0.0%	(32.4%)	5.3%	5.4%	5.5%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				0.0%	0.0%	0.0%	(2.3%)	0.0%	(42.6%)	5.2%	5.4%	5.5%
Expenditure												
% Increase in Total Operating Expenditure				0.0%	0.0%	0.0%	4.7%	0.0%	(70.2%)	8.2%	(2.7%)	5.2%
% Increase in Employee Costs				0.0%	0.0%	0.0%	5.7%	0.0%	(41.3%)	4.2%	5.3%	3.7%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					0	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	88.0%	90.0%	90.0%	0.0%	89.1%	89.1%	89.1%
Capital Revenue												
Internally Funded & Other (R'000)			–	–	–	–	–	–	–	–	–	–
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			–	–	–	–	–	–	–	–	–	–
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure												
Total Capital Programme (R'000)			–	–	–	–	–	–	–	–	–	–
Asset Renewal			–	–	–	–	–	–	–	–	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			0.0%	0.0%	0.0%	16.9%	36.7%	36.7%	24.0%	25.8%	25.8%	25.8%
Cash Coverage Ratio			–	–	–	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			–	–	–	38 673	68 341	68 341	209 468	8 267	8 714	9 194
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	12.3%	13.0%	13.8%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
High Level Outcome of Funding Compliance												
Total Operating Revenue			–	–	–	610 093	609 877	609 877	467 608	720 527	770 867	827 739
Total Operating Expenditure			–	–	–	807 704	845 568	845 568	251 910	915 190	890 449	936 652
Surplus/(Deficit) Budgeted Operating Statement			–	–	–	(197 611)	(235 691)	(235 691)	215 698	(194 663)	(119 582)	(108 913)
Surplus/(Deficit) Considering Reserves and Cash Backing			–	–	–	38 673	68 341	68 341	209 468	8 267	8 714	9 194
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table SA 10 which is used to test whether the municipal budget is funded on not funded, The Table shown that the municipal budget is funded. This means that the municipality will not have Cash flow problem during 2018/2019 financial year.

Part 2 – Supporting Documentations

The following copies are attached to the report:-

Council Resolutions

Annual budget for 2018/2019 financial

Quality Certificate

Tariff Structure

Tariff Policy

Investment Policy

Cash Management Policy

Credit Control and Collection Policy

Property Rates Policy

Revenue Enhancement Strategy and Debt Collection Plan

Indigent Subsidy and Free Basic Services Provision Policy

Budget Policy

Virement Policy

Supply Chain Management Policy

Asset Management Policy

Travelling and Subsistence allowance Policy

Unauthorised irregular or fruitless and wasteful Expenditure Policy and Procedures

Petty Cash Policy